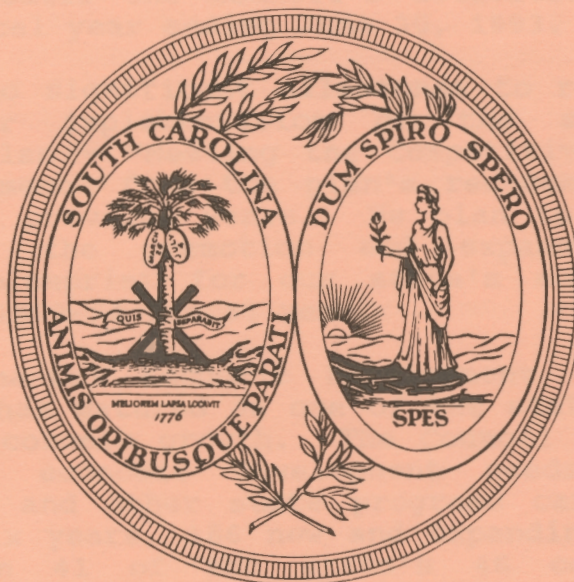


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**SOUTH CAROLINA
COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT**



**ANNUAL REPORT
1992-1993**

Printed Under The Direction Of The
State Budget And Control Board

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STATE DOCUMENTS

Columbia, South Carolina

November 4, 1993

TO: His Excellency Carroll A. Campbell, Jr.,
Governor of South Carolina, and Members of the
General Assembly

I am pleased to transmit the Annual Report of the South Carolina Coordinating Council for Economic Development, which delineates the Council's activities during the 1992-93 fiscal year ending June 30, 1993.

There are no significant milestones to report for the fourth year implementation of the state's first strategic plan - "Meeting the Competitive Challenge." The achievements from the plan's recommendations were reported in previous years. We plan to continue our efforts in the promotion and expansion of this ambitious blueprint for our state's economic future during the 1993-94 fiscal year.

The Supplemental Economic Development Fund (Highway Set-Aside) has matured as one of the state's essential tools for economic growth. The Council has been able to resolve economic development needs that local governments and other state programs cannot. During the last six years, 166 new and expanding industries, locating in 41 of the state's 46 counties, have benefitted from this valuable incentive. The partnership between local governments, the Highway Department and the Council has proven successful in managing projects expeditiously and conservatively. During 1992-93, 22 projects were completed and 90% of these were accomplished at or under budget.

The Council continues to provide a forum for its member agencies that encourages open dialogue and stimulates improved coordination. We will be vigilant in our efforts to allocate limited resources effectively, improve coordination and build an economic development climate that fosters new and expanded growth.

Respectfully submitted,

JOHN A. WARREN
Chairman

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The Council continues to provide a forum for its member agencies that encourages open dialogue and stimulates coordinated action. It will be vigilant in our efforts to allocate limited resources effectively, improve coordination and build an economic development climate that fosters new and expanded growth.

JOHN A. HARRIS
Chairman

STATEMENT OF PURPOSE

AUTHORITY

The South Carolina Coordinating Council for Economic Development was created in 1986 by an Act of the General Assembly (Act 423 of 1986) and signed into law by the Governor on May 23, 1986. **THE PURPOSE OF THE COUNCIL IS TO ENHANCE THE ECONOMIC GROWTH AND DEVELOPMENT OF THE STATE THROUGH STRATEGIC PLANNING AND THE COORDINATION OF THE ACTIVITIES OF VARIOUS STATE AND LOCAL AGENCIES.** The composition and its termination date was amended by the General Assembly in 1987 and signed into effect by the Governor on May 13, 1987.

MEMBERS OF THE SOUTH CAROLINA
COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT

S.C. STATE DEVELOPMENT BOARD

Mr. John A. Warren*

S.C. JOBS-ECONOMIC DEVELOPMENT AUTHORITY

Mr. Robert L. Mobley

S.C. DEPARTMENT OF PARKS, RECREATION AND TOURISM

Mr. William J. Sigmon, Sr.

S.C. BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

Mr. P. Henderson Barnette

S.C. RESEARCH AUTHORITY

Mr. Edward J. Sebastian

S.C. PUBLIC SERVICE AUTHORITY

Mr. John S. Rainey

S.C. PORTS AUTHORITY

Mr. Robert V. Royall, Jr.

S.C. DEPARTMENT OF AGRICULTURE

The Honorable D. Leslie Tindal

S.C. EMPLOYMENT SECURITY COMMISSION

Mr. C. Lem Harper

S.C. TAX COMMISSION

Mr. A. Crawford Clarkson, Jr.

DIRECTOR

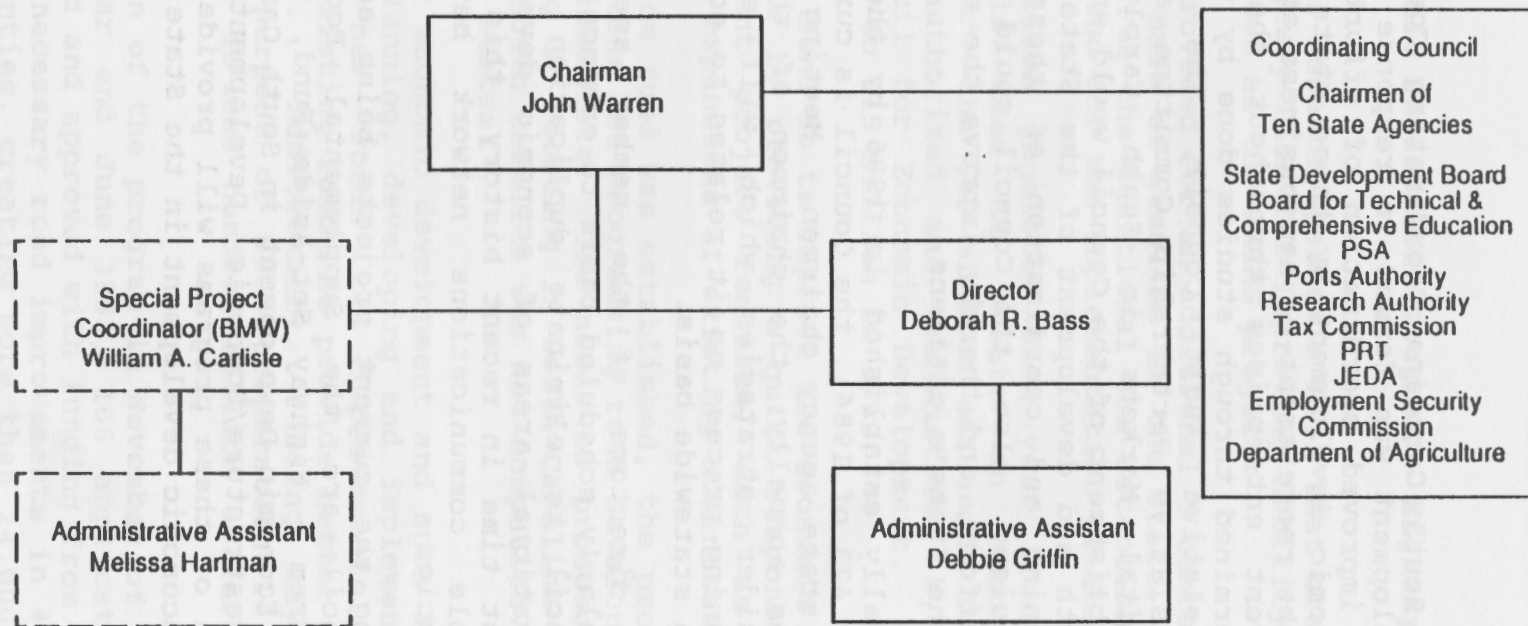
Mrs. Deborah R. Bass

ADMINISTRATIVE ASSISTANT

Mrs. Debbie W. Griffin

* Council Chairman

SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT ORGANIZATIONAL CHART



HISTORY

The South Carolina Coordinating Council for Economic Development was formed in response to a general need for improved coordination of efforts in the area of economic development by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout the state. It was determined through studies done by the South Carolina Legislative Audit Council, the Business-Education Legislative Partnership Committee and the report on "Capital Markets in South Carolina" that formal establishment of the Council would enhance the economic growth and development of the State through strategic planning and coordination of those state and local agencies. Also, the Council could reduce duplication of effort, and thereby improve the economic well-being of the State's citizens.

Formally established in 1986 by the General Assembly (Act 423 of 1986), the Council is currently composed of ten state agency chairmen. Meeting a minimum of four times annually, the chairmen of the member agencies consider strategies which will effect an ongoing planning process as it relates to economic development on a statewide basis.

The directors of the member agencies meet on a regularly scheduled basis to enhance the efforts of the Council to eliminate duplication of effort in all operational areas of economic development. For the first time in recent history, this has established a viable communications network between the member agencies.

Among the current projects being administered by the Council are the Supplemental Economic Development Program - Highway Set-Aside Fund, the Strategic Plan for Economic Development in South Carolina and the S.C. Infrastructure/Economic Development Program (SCIP). Each of these programs will provide a positive impact on economic development in the State.

PROGRAMS

Supplemental Economic Development Program - Highway Set-Aside Fund

In 1987 the General Assembly passed a bill that created the "Strategic Highway Plan for Improving Mobility and Safety," better known as the SHIMS project.

This legislation provided for an additional 3 cents per gallon tax on the sale of gasoline in the state. The revenues derived from the additional tax established a separate highway fund for the implementation of SHIMS.

The first \$10 million generated each year from the additional tax is used to create an "Economic Development Account"--the \$10 million set-aside fund--to be used as authorized and administered by the Coordinating Council for Economic Development. This fund was increased to \$15 million in 1992.

The purpose of the fund is to improve the economic well being of the state by providing a quick response to economic development project requests, such as new plant locations or expansions of existing businesses.

Before the set-aside fund was established, the process of highway allocations and programming road development projects was not immediate. The needs of prospective companies expanding or locating in South Carolina were not being met and South Carolina was not competitive in marketing to other states.

Funds are used for economic development and such items as engineering, planning, developing and implementing construction of new roads or improvements and modifications to existing roads to provide better site and plant access. Additionally, funding may be approved for the purpose of site preparation if the capital investment is one hundred million dollars or more.

Since the inception of the program in November of 1987 through fiscal year end June 1993, 166 applications have been processed and approved with funding from this program providing necessary road improvements in 41 of the state's 46 counties, creating more than 24,000 new

jobs for our citizens and over \$3.5 billion dollars in capital investments.

Criteria used for qualifying projects include the number of jobs created or saved, the type of industry (manufacturing, distribution, warehouse, or corporate headquarters), the county in which the project is to be located or expanded, unemployment rate in that particular county, the total invested dollars (land, building, machinery and equipment cost), future tax revenues anticipated, the time frame for completion of the construction of the facility as well as road needs, funding sought from other sources and whether it is a new facility or the expansion of existing industry.

The fund is not used for speculative development; state government funded projects; for the maintenance of industrial/research parks; shopping centers/strip malls; or the paving of parking lots or lighting.

The Council requires that County road improvement funds for industrial and economic development are utilized fully before an application is made. In order to apply for funds from the set-aside account, an application is submitted to the Coordinating Council. Upon receipt, each application is forwarded to the Highway Department for a preliminary study of the budget and time frame for completion of construction. Once the Highway Department completes the preliminary study and notifies Council of its findings, action is taken to evaluate the project. The Council's five member Highway Set-Aside Committee considers all requests for funding up to \$1 million dollars - requests in excess of this amount must be considered by the full Council.

In certain situations the Council may make a commitment for funding prior to receiving an application. This commitment would be used as part of an incentive package to encourage the location of a new industry or the expansion of an existing industry. Once the company fully commits to locating or expanding in the State, the application process can begin.

PROJECT COMMITMENTS 1992/93

<u>PROJECT NAME</u>	<u>COUNTY</u>	<u>AMOUNT</u>
Borden Snacks*	Spartanburg	110,000.00
Hoffmann La Roche*	Florence	400,000.00
TNS Mills, Inc.*	Spartanburg	725,000.00
SC Ports Authority*	Spartanburg	**12,200,000.00
Newcon Concrete Company	Berkeley	217,000.00
Calhoun Falls Indst.		
Pk./Tasco Indst. Inc.	Abbeville	300,000.00
Wyboo Plantation	Clarendon	170,000.00
Conbraco Indust. Inc.	Chesterfield	125,000.00
R. E. Phelon & Co.	Aiken	110,000.00
Ovako	York	150,000.00
Radio Rd./Civic Center	Florence	917,000.00
Heidtman Steel Products		
Incorporated	Sumter	144,000.00
Stone Container Corp.	Florence	185,000.00
Precision Fiberglass	Newberry	110,000.00
Syn Strand, Inc.	Dorchester	43,700.00
Industrial Converting,		
Incorporated	Dorchester	71,000.00
Klerk's Plastic	Chester	100,000.00
Conco Medical	York	150,000.00
Glen Raven Plant	Anderson	500,000.00
Miles (Dorlaspan)	Berkeley	350,000.00
Savannah Lakes Village	McCormick	450,000.00
Kelmar Industries	Spartanburg	40,000.00
Knurr USA, Inc.	Richland	50,000.00
GSA Expansion FAA		
State Match	Spartanburg	3,807,051.69
Electric City Print/		
Master Weave	Anderson	500,000.00
Perception, Inc.	Pickens	147,000.00
Graniteville	Aiken	226,000.00
Peace Textiles	Sumter	175,000.00
American Luxury Coach	Florence	128,000.00
Sunbelt Thread	York	164,500.00
Confidential Project	Kershaw	25,000.00
St. Stephen Nursing		
Home	Berkeley	75,000.00
North Charleston		
Convention Center	City of N. Chas.	500,000.00
Patriot's Point		
Authority	Charleston	6,000,000.00
Key West Boats, Inc.	Dorchester	60,000.00
Worthington Industries	Calhoun	400,000.00
Vulcan Materials Co.	Cherokee	150,000.00
Whitmire Manufacturing	Newberry	250,000.00

PROJECT COMMITMENTS 1992/1993 - CONTINUED

Conbraco II	Horry	31,000.00
Walbar Metals, Inc.	Greenwood	90,000.00
Nucor Steel Corporation	Darlington	100,000.00
Daniel Island	City of Chas.	500,000.00
Builders Transport	Kershaw	125,000.00
S-9 Bushy Pk.	Berkeley	150,000.00
Precision Machined		
Acquisitions, Inc.	Chester	144,000.00
Phoenix Finishing Corp.	Cherokee	200,000.00
Wellman, Inc.	Marion	60,000.00

Administrative. Costs/Special		
Project Coordinator		200,000.00

Infrastructure Overlay Study (SCIP)		
SC State Development Board		60,000.00

Preliminary Engineering Allotment -		
SC Dept. of Hwys. & Public Transp.		50,000.00

Preliminary Engineering Charges		
SC Dept. of Hwys. & Public Transp.		20,000.00

* Amendments to original contracts in previous fiscal years.

** Section 12-27-1270, S.C. Code of Laws provided an appropriation of \$10,000,000.00 to support this special economic development project.

Strategic Plan For Economic Development

The Coordinating Council, in its enabling legislation, was charged with the responsibility of creating a strategic plan for the economic development of South Carolina. Following concepts as outlined in Leadership for Dynamic State Economics, published by the Committee for Economic Development (an independent research and educational organization of over two hundred business executives and educators), the Council determined to undertake the planning assignment through a public-private partnership of the business, government and academic sectors. This partnership worked with a nationally recognized consulting firm to research, draft, and implement an overall economic development plan for the state.

Funding for this plan was provided by the General Assembly in the SHIMS legislation of 1987 which allocated a one time expenditure not to exceed \$250,000.00. Additional funds were raised from the private sector.

The planning document took approximately one year to complete. It incorporated the strategic findings of the Governor's Task Force on Agriculture and Rural Development and the Council on Competitiveness.

The overall goal of the project was to develop a strategic plan or "blueprint for the future" for economic development in South Carolina. The strategic plan was developed and is being implemented based on a public-private consensus. The development of this consensus comprised a critical part of the strategic planning process.

The project was divided into two major phases--Development of Goals and Strategy Development and Implementation. Each phase includes specific tasks as set out in the Request For Proposal. These tasks are as follows:

PHASE 1 - DEVELOPMENT OF GOALS:

- * Analyze Economic Trends and Resources
- * Analyze and Develop Detailed Information on Economic Opportunities
- * Define Goals for Economic Development Strategy

PHASE 2 - STRATEGY DEVELOPMENT AND IMPLEMENTATION:

- * Design Implementation Plan for Economic Development Strategy
- * Establish Monitoring Procedures for Strategy Implementation

On February 23, 1989 Council presented a copy of the Executive Summary of the Strategic Plan to Governor Carroll A. Campbell, Jr. and the leadership of the General Assembly.

Council began the implementation process, which addressed the immediate or short-range strategies and then proceeded to the long-range strategies. Initially, twenty-six strategies and fifty-eight initiatives were identified. Twenty initiatives were addressed and implemented during FY 88-89, and a progress summary was presented to the Governor in December of 1989. During 1990-91, implementation of twenty-two additional initiatives were reported. Twelve initiatives were addressed in 1991-92.

The achievement of this ambitious vision has been centered around three key goals:

- * Increase per-capita personal income: S.C. should reach parity with the average per-capita income of its neighboring Southeast states of Georgia, North Carolina, Tennessee, Alabama, and Mississippi.
- * Expand employment opportunities: S.C. should expand employment opportunities sufficiently to accommodate a larger population, higher labor force participation, and low unemployment levels. Accordingly, the state should maintain unemployment at or below the national average, while increasing the labor force participation rate to that of the U.S. average.
- * Achieve balance growth in the statewide economy: S.C. should further diversify its economy and ensure that economic benefits are experienced throughout the State. Therefore, S.C. should diversify its economy both within and across the various economic sectors (with

special attention given to high-value-added jobs and investments). Also, the state should reduce disparities in per-capita personal income levels among counties.

This compass for growth encourages a competitive, market-driven economy and develops a competitive edge for the state in an increasingly complex world economy.

S.C. Infrastructure/Economic Development Program (SCIP) (Geographic Information System)

During the 1987-88 legislative session, the General Assembly authorized the Coordinating Council for Economic Development to develop and implement an infrastructure/economic development model to assist in the evaluation of major state-funded highway projects in South Carolina.

Council recognized the importance of and the opportunity for creating a computerized infrastructure model that would enhance economic development through cataloguing infrastructure information. The model establishes a cooperative regional network for technology utilization, and serves as a competitive tool for economic development. The State Development Board is the project coordinator for the design and implementation of this geographical information system.

To assist in the program, a technical GIS center was established at the University of South Carolina to provide statewide technical support. The program received a major grant from the U. S. Department of Housing and Urban Development to fund the collection of water and wastewater data by the 10 regional planning councils and the procurement of satellite land use/land cover data. A second grant was received from the Appalachian Regional Commission (ARC) for the establishment of a regional center at the Appalachian Regional Council of Governments, and model-building by Clemson University.

ACCOMPLISHMENTS FOR FY 1992-93

- A. Developed advanced research for site selection and location analysis for projects and prospects.
 - Provided analysis and maps for over 130 prospect projects. Analysis in areas of

quality of life, supplier linkages, and drive times were routinely produced in support of prospect presentations.

- Completed phase one of integration of labor and demographic data to be presented based on drive times, distances or radius.
- Utilized GIS as a competitive marketing tool through the development of customized GIS presentations for a number of prospects.
- Developed techniques for integration of NAP aerial photography and still photographs into system to enhance presentations.
- Developed reports of excess water and wastewater capacity for distribution to members of staff.

B. Expanded and improved geocoded economic development databases and products.

- Completed first phase of site data verification and implemented procedures to assure continuation of updating. Process involved the provision of over 6000 color site products to economic development allies.
- Enhanced database to include transportation and census geography for North Carolina and Georgia.
- Reviewed municipal boundary and population data to provide hard copy products for the SC Coordinating Council.
- Continued management of data collection effort for Governor's Office of Economic Development. Project has been completed to 75% of the state including the addition of 700 water and wastewater systems to the database.

C. Promoted a GIS network of regional centers and cooperating agencies to foster technology transfer and regional utilization.

- Through a leadership position in the State Mapping Advisory Committee, worked to develop a comprehensive digital data inventory to foster cooperation between all agencies involved in mapping projects.
- Initiated formalization of a GIS data coordination group within the Association of Regional Councils.
- Organized a seminar on the Freedom of Information Act and licensing agreements as related to digital data distribution for Council of Government Directors and other interested parties.
- Sold 1,660 map products to general public, provided 7,165 maps to allies for data development or verification, and provided 8,382 for agency use.

The S.C. Infrastructure/Economic Development Program (SCIP) provides valuable assistance to policy makers at state, regional, and local levels. As critical decisions are made for the future direction of South Carolina in the areas of planning, infrastructure development, and economic development strategies, the SCIP will be an essential asset.

FUNDING OF THE COORDINATING COUNCIL

The enabling legislation for the Coordinating Council did not provide any appropriated state funds for operations. The current operating budget for FY 1992-93 consists of contributions by the member agencies as well as in-kind contributions for staff and office space.

FINANCIAL SUMMARY 1992-1993* OPERATING BUDGET

SOURCE OF FUNDS:

<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Earmarked</u>
Allocation for Operating and General Expenses by Agency:			
SCSDB**		\$	-0-
SCDA			5,000.00
SCESC			5,000.00
SCDPRT			5,000.00
TECH. EDUC.			5,000.00
SCSPA			5,000.00
SCPSA			5,000.00
SCJEDA			5,000.00
SCRA			5,000.00
SC TAX COMM.			5,000.00
Total Agency Contribution		\$	45,000.00

SCSDB** - In-Kind Contributions:

Office Space, Personnel, Copier, Postage, and Finance/Administration	\$ 65,473.65
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* The CCED was audited by the State Auditor's Office
June 30, 1993.

FINANCIAL SUMMARY OF PROGRAMS
1992-1993

SC INFRASTRUCTURE/ECONOMIC DEV. PROGRAM (SCIP) FY 92-93

REVENUE

Gas Tax 4350 FY 92-93 \$ 60,000.00

EXPENDITURE (RECURRING)

SCIP - Geographic Information System - 60,000.00

BALANCE

\$ 0.00

ENERGY EFFICIENCY AND EFFECTIVENESS FACTORS

CODE OF LAWS OF SOUTH CAROLINA - SECTION 48-52-620

The Coordinating Council leases space through the South Carolina State Development Board. Since office utility expenses are included in the Coordinating Council's lease agreement, energy consumption and conservation statistics are not available.

PUBLICATIONS OF
THE SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT

State of South Carolina Coordinating Council For
Economic Development - Meeting The Competitive
Challenge, Volume I: Strategic Plan For Economic
Development

A Strategic Plan For Meeting The Competitive Challenge-
Executive Summary

A Strategic Plan For Meeting The Competitive Challenge-
Progress Report 1989: Summary of Major Accomplishments

A Strategic Plan For Meeting The Competitive Challenge-
Progress Report 1990: Summary of Major Accomplishments

A Strategic Plan For Meeting The Competitive Challenge-
Progress Report 1991: Summary of Major Accomplishments

State Computer Infrastructure Study: Data Center
Consolidation Feasibility Study - Phase I

South Carolina Coordinating Council For Economic
Development Annual Report - Fiscal Years 1987/1988,
1988/1989, 1989/1990, 1990/1991, 1991/1992

South Carolina Coordinating Council For Economic
Development Guidelines and Procedures For Supplemental
Economic Development Program Highway Set-Aside Fund

* The CCED was audited by the State Auditor's Office
June 30, 1993.

COMMITTEE ASSIGNMENTS

**SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT**

HIGHWAY SET-ASIDE COMMITTEE

John A. Warren, Chairman

Robert V. Royall, Jr., Vice Chairman

P. Henderson Barnette

John S. Rainey

Robert Mobley

STRATEGIC PLAN COMMITTEE

Robert V. Royall, Jr.

IMPLEMENTATION COMMITTEE

John A. Warren

C. Lem Harper

John S. Rainey

Bob Mobley

Bill Sigmon

Robert V. Royall, Jr.

Commissioner D. Leslie Tindal



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SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT
CHALLENGE, VOLUME I: STRATEGIC
PLANNING FOR ECONOMIC DEVELOPMENT

State of South Carolina Coordinating Council For
Economic Development - Highway Set-Aside
Challenge, Volume I: Strategic
Planning For Economic Development
John A. Warren, Chairman

Robert V. Royall, Jr., Vice Chairman
A Strategic Plan For Meeting The Challenge
P. Henderson Barnette

John S. Rainey
Robert Mobley

A Strategic Plan For Meeting The Challenge
P. Henderson Barnette

200
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Printing Cost - Individual Agency (requesting over 255 copies
and/or halftones) \$ -

Total Printing Cost \$ 237.89

John S. Rainey, Chairman

Robert V. Royall, Jr., Vice Chairman

South Carolina Coordinating Council For Economic
Development Annual Report
1988/1989, 1989/1990, 1990/1991, 1991/1992

South Carolina Coordinating Council For Economic
Development Guidelines and Procedures For Supplemental
Economic Development Program Highway Set-Aside Fund